

From: Mark Mickeriz [mailto:mmickeriz@banksis.com]
Sent: Tuesday, September 05, 2006 11:27 AM
To: Comments
Subject: Comment re: FHLB advances and Deposit Insurance assessments

Attention: Robert E. Feldman

Dear Mr. Feldman,

In response to the FDIC's request for comments regarding Insurance assessments on FHLB advances, we feel that including advances in the definition of volatile liabilities is incorrect. Small banks such as Sanford Institution for Savings consider FHLB advances as critical, stable, reliable sources of funding. In our opinion, FHLB advances bear little, if any, resemblance to our deposit products. Charging us higher fees for advances due to classifying them as volatile or treating them as a secured liability would be a harsh penalty for community banks. Deposit fees should be based largely on the risk profile of the individual banks, and I don't believe there is any evidence concluding that FHLB advances increase a bank's risk profile. Charging us fees for advances would be a disincentive to borrow from the FHLB, which contradicts FHLB's purpose to provide banks with access to funding to enable us to meet community home ownership needs. Penalizing us for working with the FHLB would curtail our ability to be competitive and diminish our ability to serve our residential loan customers.

Sincerely,

Mark T. Mickeriz
President/CEO
Sanford Institution for Savings
207 324 2285